

AUG 1946

~~TOP SECRET~~

774

25X1

GENERAL

1. Bernadotte feels Palestine must come before General Assembly--
UN Mediator Bernadotte has informed US Embassy Stockholm that he believes the Palestine problem must come before the next UN General Assembly. Bernadotte is convinced that the Arabs will never recognize the Jewish state voluntarily because of public opinion in their countries, and he therefore feels that if the General Assembly passes some resolution similar to that of last November, the Arab leaders will be able to accept the Jewish state after pointing out to their people that world opinion is against them. Bernadotte prefers not to make his recommendations to the Security Council because the Jews, seeking greater territorial gains than his proposals provide, might oppose them and he fears the USSR would then use its veto. Meanwhile, an Arab representative has informed US Embassy London of his belief that Arab "acquiescence" in a Jewish state is the most that can be obtained from the Arab states for at least a year. The representative believes that the Israeli frontier will have to be defined by some UN agency and drawn up on the ground as an imposed boundary to which the agreement of both sides is demanded.

25X1

EUROPE

2. FRANCE: De Gaulle annoyed with Reynaud--US Ambassador Caffery reports that General De Gaulle and his supporters are concerned because they believe Finance Minister Reynaud's program to stabilize the French economy is an attempt to do for the Marie Government what the Gaullists had hoped he would do for them when they came to power. Caffery points out that if Reynaud succeeds, many voters may say "we don't need De Gaulle," and that Reynaud will be useless to De Gaulle if he fails. Gaullist irritation is mitigated, Caffery adds, by the possibility that failure of the Reynaud stabilization program could cause the downfall of the French Government and De Gaulle would then have a good chance of taking power.

State Department review completed

Document No. 50NO CHANGE in Class. ☐☒ DECLASSIFIED

Class. CHANGED TO: TS S (

~~TOP SECRET~~Auth: DDA Memo, 4 Apr 77
DDA REG. 77/1763Date: 15 MAR 1978 By:

25X1

~~TOP SECRET~~

25X1

3. **GREECE: Early re-entry of guerrillas considered possible**-- US Ambassador Grady, in transmitting US and British estimates that the guerrilla forces have capabilities for early re-entry into Greece from Albania, recommends strong US representations to the Satellites in order to prevent such action. Grady points out that several thousand members of the guerrilla Grammos force have apparently withdrawn into Albania in good order and generally good condition. Grady comments that a large-scale return of guerrillas would severely lessen the value of the Greek Army's Grammos victory and would have serious adverse effects on Greek morale and on the effectiveness of US aid. According to Grady, the Greeks are already discouraged over the prospect of having one Greek offensive after another nullified by temporary guerrilla withdrawals to Satellite soil.

25X1

FAR EAST

4. **INDONESIA: Fall of Republican Government considered imminent**-- The US Delegation to the UN Good Offices Committee doubts that the present Republican Government can last more than a few weeks unless it is presented an opportunity to resume negotiations with the Dutch on the basis of the Renville Agreement. The US delegation has been informed by a ranking member of the Dutch delegation that the next few weeks might bring a "nastier surprise" than the US delegation has yet experienced. Meanwhile, the Chief of the US Military Group in Batavia believes that a sudden and severe stiffening of the Dutch attitude probably means further provocative actions and greater estrangement; he considers that increased violence is likely and a complete break a distinct possibility.

25X6

- 2 -

~~TOP SECRET~~